

Dear Friend,

First and foremost, our thoughts are with the people affected, and we remain focused on the health and safety of our teammates and partners.

These last few days have been intense and demanding.

We had to rethink our way of working and consequently organize ourselves to make it possible to re-open our production sites, for this reason, we apologize if this exceptional and non-programmable work overload has slowed down our usual information diligence.

We carefully followed the rules and suggestions of the local authorities.

In some cases, we have even decided to adopt higher safety levels than those required by the competent authorities.

Being aware of the necessary need to inform you about the security actions taken, shortly, we will make available a full newsletter on this specific topic.

The diligent action of our teams has allowed us to pass all the strict controls of the authorities.

The above green light has made possible, Monday, February 10, the complete re-opening of our headquarters, R&D centre and all our production plants: our production lines are running.

The coronavirus outbreak is having a material impact on our manufacturing operations; please find here below some facts:

-In full compliance with the restrictions adopted by the central and local governments a positive number of our workforce has returned to the company, they are all in good health

-The coronavirus outbreak has generated economic waves that are rocking and disrupting the supply networks that act as the backbone of our production, for this reason, the plants are currently operating at a lower efficient level.

-As previously announced the ports are regularly open, but the land transport that allows the movement of goods from our warehouses to the container ships is disrupted. Currently, our handling capacity is reduced.

We are confident of continuous and constant improvement of the situation, and we expect to be able to deliver a minimum of 70% of the February order book as possible.

Procurement, Engineering and Manufacturing departments have set up working groups with the aim of analysing and validating all possible options to ensure the most optimized supplying to provide the best production plan for March productions, in compliance with the usual quality standards.

Today, transforming the supply chain analysis for March into a consistent and reliable number would not be a faithful exercise; for this reason, we refer this information to the beginning of next week.

Dynamics continue to evolve, and accordingly, we will provide an update on the operational impacts.

We encourage you to be in touch with your sales representatives to address any specific enquiry you may have.

Homa Global Website (<https://en.homa.cn>) is the official channel for all upcoming updates.

Take Care.

Homa Appliances Co., Ltd.